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Office Memorandum • UNITED STATES GOVERNMENT

TO : D/H

DATE: 16 September 1957

FROM : H/S, H/EP

SUBJECT: Possible Relative Advantage in Exchange Program as Suggested - Sept. 57

Coal and Electric Power

1. With respect to coal mining as such there would be relatively little advantage either to the USSR or the US because of the wide difference of natural conditions and the open literature now available on both sides. The net gain, if any, would appear to favor the USSR which is struggling with the problems of mechanization which we have already solved under admittedly easier circumstances. In the more specialized field of coal mining machinery and even more in the metallurgical know how necessary to such machines of high capacity the advantage would appear to be very heavily in favor of the USSR. The offsetting [REDACTED] gain to the US would have to come in the area of fuel distribution and utilization where our present information is weakest. Information on the preparation of coal, disposal or use of the high ash content refuse from preparation plants, the efficiency of handling and burning of the lower grades of brown coal, lignite and peat, and the relation of these facts to the location of other industry could be of substantial intelligence value.

25X1X6

2. ~~The electric power field, properly exploited, there is~~ ^{representative} ~~a potential for a very substantial net gain to the US.~~ [REDACTED] ^{are in the area of} ~~consumption by region, industry, and systems and~~ ^{the financial} ~~the financial accounting methods used in costing and pricing power to various industries. Similar information is available in US open sources. Such an exchange should be predicated on the advance exchange of information, including maps of the transmission system showing all lines over 50 KV with flow diagrams for the 100, 200, and 400 KV systems and the dispatching centers with information on their methods of operation.~~ ^{information}

25X1X2

3. ^{We have} ~~In both the fuel and power areas there is a strong feeling that past selection of exchange ~~mission~~ personnel ~~has not resulted in a relative advantage to the USSR.~~ Selection of US representatives for prestige in private industry should, we feel, be tempered with enough working stiff to permit~~ [REDACTED]

The maximum possible advantage.

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in both the fuel and power areas

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D/M

16 September 1957

W/S, N/EP

Possible Relative Advantage in Exchange Program as Suggested - Sept. 57

25X1X1 1. With respect to coal mining as such there would be relatively little advantage either to the USSR or the US because of the wide difference of natural conditions and the open literature now available on both sides. The net gain, if any, would appear to favor the USSR which is struggling with the problems of mechanization which we have already solved under admittedly easier circumstances. In the more specialized field of coal mining machinery and even more in the metallurgical know how necessary to such machines of high capacity the advantage would appear to be very heavily in favor of the USSR. The offsetting [REDACTED] gain to the US would have to come in the area of fuel distribution and utilization where our present information is weakest. Information on the preparation of coal, disposal or use of the high ash content refuse from preparation plants, the efficiency of handling and burning of the lower grades of brown coal, lignite and peat, and the relation of these facts to the location of other industry could be of substantial intelligence value.

2. In the electric power field, properly exploited, there is 25X1X2 a potential for a very substantial net gain to the US. [REDACTED] are in the area of consumption by region, industry, and systems and in the financial accounting methods used in costing and pricing power to various industries. Similar information is available in US open sources. Such an exchange should be predicated on the advance exchange of information including maps of the transmission system showing all lines over 50 KV with flow diagrams for the 100, 200, and 400 KV systems and the dispatching centers with information on their methods of operation.

3. In both the fuel and power areas there is a strong feeling that past selection of exchange mission personnel throws a relative advantage to the USSR. Selection of US representatives for prestige 25X1X6 in private industry should, we feel, be tempered with enough working stiffs [REDACTED] to per [REDACTED]

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[REDACTED]~~SECRET~~